GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4460
ANSWERED ON:19.05.2006
ISSUE OF NOTICES TO POLITICAL PARTIES
Jindal Shri Naveen

Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to issue notices to all political parties for effecting tax deducted at source for expenditure incurred on thier last Parliamentary / State legislature elections;

(b) if so, whether these parties have also been asked to apply for TAX deducted Account Numbers(TAN);

(c) if so, the response of these parties; and

(d) the estimated amount to be collected on this account.

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) No such proposal is under consideration at the level of Central Government. However, the Incoe Tax Department may issue such notices through the field-units in the normal course of ensuring compliance of the provisions of TDS by various classes of persons, including political parties.

(b) As per the provisions of section 203A of the Income Tax Act, 1961, every person responsible for deducting tax at source is required to obtain Tax-deduction Account Number(TAN), including political parties. Information is not centrally available as to whether the political parties have already obtained TAN or have been requested to apply for TAN by the field-units.

(c) Does not arise in view of reply to para (b) above.

(d) In view of the reply to para (a) and para (b) above, no question of making such estimates arises.